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SENT BY E-MAIL

Toronto, January 11, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
PO Box 2319
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**RE: Application of the Ontario Power Authority for Approval of its Integrated
Power System Plan and Proposed Procurement Processes
Board File No.: EB-2007-0707**

At the Procedures Day for the Issues Proceeding in this matter, Board Counsel posed the question as to whether there were additional issues to be added or comments to be made with respect to the Ontario Power Authority's ("OPA") proposed issues list (the "Revised Issues List") in the area of procurement.

Brookfield Energy Marketing Inc. ("BEMI") submits that for the reasons set out below the following issues should be added to the Revised Issues List at Part II The Procurement Process:

Issue #1

"Does the OPA procurement process ensure to the greatest extent possible that any procurement contract does not contain terms or conditions that have an adverse impact on investment by persons who are not parties to such a contract with the OPA in electricity supply or capacity or in measures that will manage electricity demand?"

Section 4 of Ontario Regulation 426/04 entitled Ontario Power Authority Procurement Process provides that:

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“The OPA shall ensure that, to the greatest extent possible, any contract it enters into under subsection 25.32 (1) of the Act does not contain any terms or conditions that have an adverse impact on investment by persons who are not parties to such a contract with the OPA in electricity supply or capacity or in measures that will manage electricity demand as described in subsection 29.32 (1) of the Act.”

In addition to the issue above, BEMI also submits that the following issue be added to the Revised Issues List:

Issue #2

“Does the OPA procurement process properly provide for the making of an assessment of the capability of the IESO-administered markets to, or the likelihood that investment by other persons will, (a) meet the need for electricity supply or capacity as identified in an assessment made under section 25.29 of the Act; or (b) deliver measures that will manage electricity demand or result in the improved management of electricity demand as described in clause 25.32 (1)(b) of the Act.”

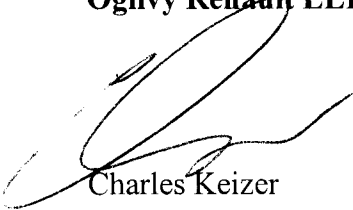
This issue reflects the condition set out in Section 1 of Regulation 426/04.

Other elements of Regulation 426/04 have been included by the OPA in the Revised Issues List. However, the Revised Issues List does include an issue related to section 1 or 4 of the regulation. It is fundamentally important to not only review the fairness of a procurement process from the perspective of those participating in the process, but also from the perspective of those that may be potentially adversely affected by the results of such a process. In addition, the relevance of the IESO market as an alternative needs to be considered. The time to consider this issue is at the establishment of the procurement procedure.

BEMI is a licensed electricity wholesaler that markets the power of the Brookfield Power generation assets. Brookfield Power is primarily a generator of renewable power, with approximately 1200 MW of generating capacity in Ontario of which approximately 840 MW is merchant hydro electric capacity. The implications of the procurement process on Brookfield Power is fundamentally important to it and to other parties that have expended capital to supply Ontario with electricity.

Yours very truly,

Ogilvy Renault LLP



Charles Keizer

CK/sb

cc. Jennifer Lee, Ontario Energy Board
George Vegh, Q.C., McCarthy Tetrault